

ADVISORY OPINION 1998-014

Any advisory opinion rendered by the Registry under subsections (1) or (2) of this section may be relied upon only by the person or committee involved in the specific transaction or activity with respect to which the advisory opinion is rendered. KRS 121.135(4).

December 30, 1998

Hon. Mary Jane Wilhoit Phelps
McCauley & Mattingly
137 North Main Street
P.O. Box 468
Versailles, Kentucky 40383

Dear Judge Phelps:

This is in response to your letter dated December 4, 1998 requesting an advisory opinion regarding whether funds received by your campaign committee in a settlement or judgment with an advertising vendor may be applied to partially offset the debt owed to you by the campaign committee. You were the successful candidate for District Court Judge for the 14th Judicial District. Your letter indicates that you are currently negotiating a refund claim with Frontiervision Cable Company, because Frontiervision only ran a few of the advertisements for which you had contracted.

In a telephone conversation on December 11, 1998 you advised the Registry that you did not believe your dispute with the Frontiervision Cable Company would result in a lawsuit, and, therefore, you withdrew your question regarding whether you could accept contributions to defray the costs of litigation. Therefore, your question may be summarized as follows:

May sums refunded from an advertising vendor to a campaign committee be used to repay a candidate for a loan from the candidate to her campaign committee?

KRS 121.150(13) permits a candidate for local office to loan her committee a maximum of ten thousand dollars (\$10,000) per election. Pursuant to KRS 121.180(7), the campaign committee's account may remain open if the final statement of the committee shows an unexpended balance of contributions, **continuing debts and obligations**, or an expenditure deficit. Although a candidate for district office may not accept contributions after the date of the election pursuant to KRS 121.150(16) (except as provided by KRS 121.150(20), as amended by the 1998 Acts), nothing prohibits a candidate or campaign committee from receiving refunds for overpayment to a vendor. Subsequent supplemental annual reports are required until a campaign committee's account shows no unexpended balance. KRS 121.180(7).

According to your thirty-day post-election report, you have loaned your campaign committee a total of \$9,393.68. This sum is considered a debt owed to you from your committee. Pursuant to KRS 121.180(7), your campaign account may remain open until all debts are paid or assumed by you as a contribution to your campaign. As there is no prohibition on receiving refunds from a vendor after the date of the election, a refund would revert to the unexpended balance in your committee's campaign account. Therefore, a refund from a vendor may be used, along with other unexpended sums in a campaign account, to repay a loan from the candidate for whom the campaign account was established.

According to your amended post-election report, filed on December 21, 1998, your campaign expenditure for cable television advertising through Frontiersvision totaled \$2,658.40. Presuming all or part of this sum is refunded to your campaign account, this refund would revert to your campaign account's unexpended balance, which may be used to repay a loan from you. If you have any further questions, please do not hesitate to contact the Registry staff.

Sincerely,

Rosemary F. Center
General Counsel